

VZCZCXRO8089
PP RUEHROV
DE RUEHJM #1149 1841200
ZNR UUUUU ZZH
P 021200Z JUL 08
FM AMCONSUL JERUSALEM
TO RUEHC/SECSTATE WASHDC PRIORITY 1974
INFO RUEHKK/ARAB ISRAELI COLLECTIVE
RUCNDT/USMISSION USUN NEW YORK 2508
RUEHGV/USMISSION GENEVA 0155
RHEHNSC/NSC WASHDC

UNCLAS JERUSALEM 001149

SENSITIVE, SIPDIS

DEPT FOR PRM/FO, PRM/ANE, NEA/IPA

E.O. 12958: N/A

TAGS: [PREF](#) [PREL](#) [PGOV](#) [PHUM](#) [EAID](#) [KPAL](#)

SUBJECT: UNRWA EXPRESSES CONCERN ABOUT FUNDING SHORTFALLS FOR FOOD PROGRAMS

REF(S): Jerusalem 1045

1. (SBU) UNRWA Deputy Commissioner General Filippo Grandi, briefing donors at UNRWA's annual food aid meeting in Jerusalem on June 30, expressed concern about shortfalls in donor funding for its food program. The regular food program, funded outside UNRWA's regular budget, aims to support roughly 66,000 destitute families across UNRWA's five fields, while UNRWA's emergency program supports a total of 195,000 families in the West Bank and Gaza. Both programs face severe budget shortfalls in part due to higher food prices, forcing cuts in rations at a time when WFP and UNRWA assess that there is increased need. Grandi urged donors to consider additional in-kind or cash assistance for UNRWA's 2008 food programs. End Summary.

UNRWA Faces Shortfalls in Food Programs

2. (SBU) On June 30, UNRWA Deputy Commissioner General Filippo Grandi used the annual food aid meeting in Jerusalem to alert donors to budget shortfalls and possible cutbacks in food rations to vulnerable refugees. He emphasized the importance of UNRWA's food assistance program in ensuring that the most vulnerable refugees maintain an acceptable standard of living. Since most donors have different funding mechanisms for food aid and for general humanitarian or development aid, UNRWA manages its food program budget separately from the General Fund, he said. While UNRWA's regular food program in 2008 is 81 percent funded, UNRWA is concerned that the 2009 food program will be even more underfunded. Grandi also expressed concern that the 2008 emergency food assistance specific to the West Bank and Gaza remains 62 percent funded at present.

UNRWA May Reduce Regular Food Basket by 40 percent

3. (SBU) Director for Relief and Social Services Beth Kuttub explained that budget shortfalls in the food program are due to higher global food prices -- the cost of UNRWA's food basket increased from USD 18 in 2006 to USD 40 currently -- and UNRWA's reform of the Special Hardship Program (SHP). The SHP assists roughly 66,000 refugee families in UNRWA's five fields.

4. (SBU) UNRWA has reformed the SHP program in the last year by changing eligibility based on "age and gender biased" criteria to eligibility based on verifiable household data. The goal of the reform is to improve targeting toward refugees living in "abject poverty," which UNRWA defines as families not able to meet their basic food needs. The previous SHP provided the same benefit to all families (USD 166/person/year), while the reformed program seeks to lift each eligible family out of abject poverty through a combination of food and cash assistance.

15. (SBU) The cost of the reformed program rose from USD 35 million in 2007 to USD 58.3 million in 2008. (Note: USD 15.5 million of the increase is due to higher food prices and USD 7 million of the increase is due to the SHP reform. End Note.) The SHP reform will be further expanded in 2009, requiring a total budget of USD 70.4 million. With anticipated changes in 2009 to European Commission funding for food aid programs worldwide, UNRWA worries that its 2009 food program will experience a shortfall of USD 47.5 million. To compensate for the shortfall, UNRWA is considering cuts to the food basket that would reduce caloric intake from 1,700 calories to 1,000, or in the worst case scenario, 700 calories per person.

Emergency Food Assistance Also Faces Cuts

16. (SBU) UNRWA Project Manager for the Emergency Program Sam Rose said emergency food aid is provided to 125,000 refugee families in Gaza and 70,000 in the West Bank. Emergency food aid is provided to refugee families who have lost their source of income or whose income has dropped below the poverty line. With current shortfalls of USD 40 million out of a total USD 105.6 million emergency food budget, UNRWA expects it will only be able to distribute four out of the five planned rounds of assistance in Gaza and only two of the planned four rounds in the West Bank. These cutbacks would result in the provision of only 50 percent of caloric needs per recipient in Gaza and 18 percent of caloric needs in the West Bank. Grandi concluded the meeting with an appeal to donors to "dig deep" and consider additional in-kind or cash contributions in 2008 for UNRWA's food programs.